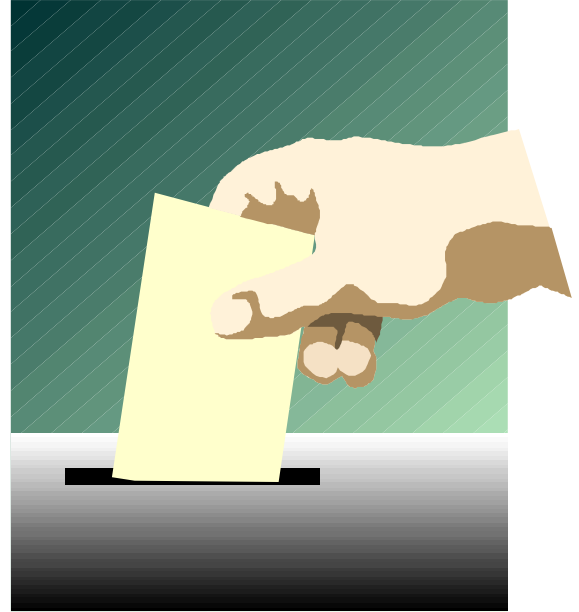
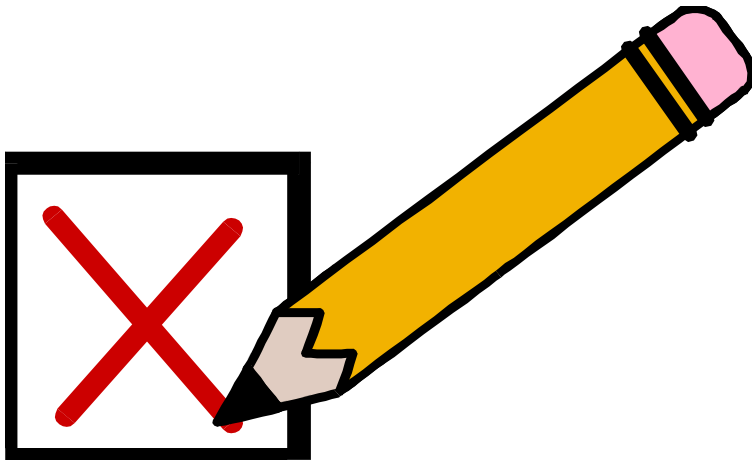
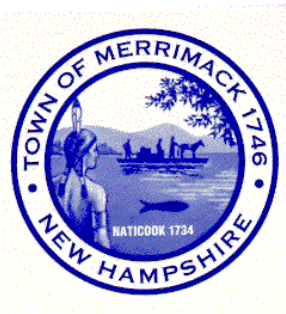


# **VOTER'S GUIDE TO** **2014 OFFICIAL BALLOT**



**Town of Merrimack**  
**April 8, 2014**





**SAMPLE**  
**OFFICIAL BALLOT**  
**ANNUAL TOWN ELECTION**  
**MERRIMACK, NEW HAMPSHIRE**  
**APRIL 8, 2014**

*Diane Juppette*  
TOWN CLERK

**INSTRUCTIONS TO VOTERS**

- A. TO VOTE, completely fill in the OVAL to the RIGHT of your choice(s) like this: ☐
- B. Follow directions as to the number of candidates to be marked for each office.
- C. To vote for a person whose name is not printed on the ballot, write the candidate's name on the line provided and completely fill in the OVAL.

<p style="text-align: center;"><b>TOWN COUNCIL</b></p> <p style="text-align: right;">Vote for not more than two (2)</p> <p>3 years</p> <p><b>BILL BOYD</b> <input type="radio"/></p> <p><b>LENETTE M. PETERSON</b> <input type="radio"/></p> <p><b>FINLAY C. ROTHHAUS</b> <input type="radio"/></p> <p><input type="radio"/> (Write-in)</p> <p><input type="radio"/> (Write-in)</p>	<p style="text-align: center;"><b>TRUSTEE OF TRUST FUNDS</b></p> <p style="text-align: right;">Vote for not more than one (1)</p> <p>3 years</p> <p><b>JACK BALCOM</b> <input type="radio"/></p> <p><input type="radio"/> (Write-in)</p> <p style="text-align: center;"><b>LIBRARY TRUSTEE</b></p> <p style="text-align: right;">Vote for not more than two (2)</p> <p>3 years</p> <p><b>LORA PHILP</b> <input type="radio"/></p> <p><b>KAREN FREED</b> <input type="radio"/></p> <p><input type="radio"/> (Write-in)</p> <p><input type="radio"/> (Write-in)</p>	<p style="text-align: center;"><b>MODERATOR</b></p> <p style="text-align: right;">Vote for not more than one (1)</p> <p>2 years</p> <p><b>LYNN CHRISTENSEN</b> <input type="radio"/></p> <p><input type="radio"/> (Write-in)</p> <p style="text-align: center;"><b>SUPERVISOR OF THE CHECKLIST</b></p> <p style="text-align: right;">Vote for not more than one (1)</p> <p>6 years</p> <p><b>M. JANE COELHO</b> <input type="radio"/></p> <p><input type="radio"/> (Write-in)</p>
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**QUESTIONS**

**Article 2**

Shall the Town vote to raise and appropriate the sum of \$3,300,000 for Highway Garage upgrades and installation, and to authorize the issuance of not more than \$3,300,000 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33) and to authorize the Town Council to issue and negotiate such bonds or notes and to determine the rate of interest thereon, and to take any other action or to pass any other measure relative to said purpose and financing; and to further authorize the Town Council to apply for and accept any federal, state, or private grants that may be made available; to authorize the Town Council to issue, negotiate, sell, and deliver said bonds and notes and to determine the rate of interest, the maturity, and other terms pertaining thereto; and to authorize the Town Council to take any other action or to pass any other measure relative to said purpose and financing; and to further raise and appropriate the sum of \$90,333 for the purpose of 2014-15 interest on said bonds or notes? (2/3rds ballot vote required for approval) (Recommended by the Town Council 7-0-0)

YES ☐  
NO ☐

**Article 3**

Shall the Town vote to raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling \$31,979,257 Should this article be defeated, the default budget shall be \$27,892,458, which is the same as last year, with certain adjustments required by previous action of the Town or by law; or the Town Council may hold one (1) special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only. (Recommended by the Town Council 7-0-0)

YES ☐  
NO ☐

**Article 4**

Shall the Town vote: to establish, in accordance with RSA 35, a Geographic Information System (GIS) Capital Reserve Fund for capital expenditures relating to the purchase and installment of hardware and software as well as the upgrade obtaining digital aerial orthophotography and planimetric mapping of the Town's land area and creation of GIS data layers (including but not limited to edge-of-roads, buildings, topography, hydrography, etc.), and improvement of GIS System, including related equipment, and infrastructure; to raise and appropriate the sum of \$10,000 to be placed in said fund; and to designate the Town Council as agents to expend? This is a Special Warrant Article per RSA 32:3, VI. (Recommended by Town Council 7-0-0)

YES ☐  
NO ☐

**Article 5**

Shall the Town vote to raise and appropriate the sum of \$5,000 for reimbursement education or training for NEPBA Local 112, Dispatchers and Support Staff, in accordance With Article X111 of the NEPBA Local 112 contract, which reads:

YES ☐  
NO ☐

"The town shall pay 100 % of the cost of any employee education or training that is required by the Town to assist him/her in maintaining his/her minimum job, or in adequately performing the tasks to which he/she is regularly assigned.

The Town shall reimburse full-time employees for 100% of the tuition relating to college courses so long as: a certificate of completion, with a grade of C, or better, is presented to the Human Resources Coordinator, and is related to the employee's job.

This is a Petition Warrant Article. (Not Recommended by the Town Council 7-0-0)

# 2014 Proposed Warrant Article

Merrimack residents will have an opportunity to vote on the proposed budget and other Town matters on Tuesday, April 8, 2014, at the annual election to be held between 7:00 AM and 7:00 PM. There is one polling place in Merrimack: James Mastricola Upper Elementary School - All-Purpose Room at 26 Baboosic Lake Road.

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The following information is provided as a public service to enable citizens to better understand the matters on which they will be voting. Additional information may be obtained by calling the Town Manager's Office at (603) 424-2331, or by visiting the Town's website at [www.merrimacknh.gov](http://www.merrimacknh.gov).

## **ARTICLE 1**

### **Election of Public Officials**

To vote, completely fill in the box next to your choice on the ballot. Follow the directions as to the number of candidates to be marked for each office. To vote for a person whose name is not printed on the ballot, write the candidate's name on the line provided and completely fill in the box.

## **ARTICLE 2**

### **Highway Garage Bond**

Article 2 relates to a bond to build a new highway garage, as well as refurbishing the existing facility. The Highway garage was built in 1973 when the Town's population was around 5,600 residents. At that time, the Highway division was staffed by 10 employees and was responsible for the maintenance of about 15 vehicles. Since then the Town's population has grown to approximately 27,000 residents. The current facility houses 27 employees and is responsible for the maintenance of over 100 vehicles. There are two divisions working out of the current facility: Equipment Maintenance and Highway. It also is where the Highway administrative staff works.

The Town Council hired a consultant last summer to look at the space needs, conditions and deficiencies in the current facility. The consultant identified code and structural issues. Some of the issues are:

- No real separation of work space and public space
- Employee space and work space integrated
- Inadequate equipment storage facility
- Inadequate equipment maintenance bays
- Inadequate bay height for some of the equipment to be worked on inside
- No interlocking cross bracing of the building's support steel

The consultant presented a conceptual design, which allowed for 100% of the equipment to be stored inside at a cost of \$8.9 million. At the same time, the Town Council established a Highway Garage subcommittee comprised of 2 Town Councilors, 2 town residents, 2 employees who work at the Highway garage, the Highway Operation's Manager, the Public Works Director, the Town Manager and the Finance Director.

This Committee reviewed the consultant's findings and while they agreed with some of the findings, they also felt that 100% inside storage would be too cost prohibitive at this time. The

## 2014 Proposed Warrant Article

Committee then looked at whether or not rehabilitating the current facility was an option. A structural engineer was hired to see if the existing structure could support increasing the bay height and increasing the width and length, as well as looking at building code compliant office space and people space. The structural engineer found that while the building steel could be reused, the Town would have to do a complete tear down and rebuild to meet the current building codes. If the existing building was used solely for storage of vehicles, the rehabilitation would be significantly less in scope and more cost effective. With this knowledge, the Committee began to look at building new administrative space, as well as equipment maintenance bays. Experts in the construction industry were brought in to get an idea of how much such a facility would cost. It was agreed that a prefabricated steel structure of the size and needs for the Town would cost approximately \$2.8 million and rehabilitating the existing building could be done for around \$500,000. The Committee felt that building a new facility, as well as rehabilitating the current facility for \$3.3 million would meet the three major objectives they set out to accomplish:

- Adequate Equipment Maintenance Space
- Segregation of people space
- Some indoor storage for the Highway fleet

The Town is proposing a 25-year payback period for this bond. Following is an estimated debt schedule.

<b>BOND PAYMENT SCHEDULE</b>					
<b>Principal - \$3,300,000</b>					
<b>Term - 25 Years</b>					
<b>Interest Rate - 5 %</b>					
Year Ending	Principal	Interest	Interest	Total	Balance
<u>June 30</u>	<u>July</u>	<u>July</u>	<u>January</u>		
2015	-	-	85,333	85,333	3,300,000
2016	135,000	82,500	79,125	296,625	3,165,000
2017	135,000	79,125	75,750	289,875	3,030,000
2018	135,000	75,750	72,375	283,125	2,895,000
2019	135,000	72,375	69,000	276,375	2,760,000
2020	135,000	69,000	65,625	269,625	2,625,000
2021	135,000	65,625	62,250	262,875	2,490,000
2022	135,000	62,250	58,875	256,125	2,355,000
2023	135,000	58,875	55,500	249,375	2,220,000
2024	135,000	55,500	52,125	242,625	2,085,000
2025	135,000	52,125	48,750	235,875	1,950,000
2026	130,000	48,750	45,500	224,250	1,820,000
2027	130,000	45,500	42,250	217,750	1,690,000
2028	130,000	42,250	39,000	211,250	1,560,000
2029	130,000	39,000	35,750	204,750	1,430,000
2030	130,000	35,750	32,500	198,250	1,300,000
2031	130,000	32,500	29,250	191,750	1,170,000
2032	130,000	29,250	26,000	185,250	1,040,000
2033	130,000	26,000	22,750	178,750	910,000
2034	130,000	22,750	19,500	172,250	780,000
2035	130,000	19,500	16,250	165,750	650,000
2036	130,000	16,250	13,000	159,250	520,000
2037	130,000	13,000	9,750	152,750	390,000
2038	130,000	9,750	6,500	146,250	260,000
2039	130,000	6,500	3,250	139,750	130,000
2040	130,000	3,250	-	133,250	-
	3,300,000	1,063,125	1,065,958	5,429,083	

## 2014 Proposed Warrant Article

<b>June 30,</b>	<b>Existing Debt</b>	<b>Highway</b>			<b>for all</b>	<b>For</b>	
<b>2014</b>	<b>Payments</b>	<b>Garage</b>		<b>Total Payments</b>	<b>bonds</b>	<b>Highway</b>	<b>Difference</b>
		<b>(25Yr)</b>			<b>Tax rate</b>	<b>Bond Tax</b>	<b>from 2014</b>
		<b>(Principal &amp; Interest)</b>			<b>(to include Highway Garage)</b>	<b>Rate</b>	
<b>2014</b>	472,026	-		472,026	\$ 0.16		
<b>2015</b>	461,397	85,333		546,730	\$ 0.19	\$ 0.03	0.03
<b>2016</b>	449,873	296,625		746,498	\$ 0.25	\$ 0.10	0.09
<b>2017</b>	435,466	289,875		725,341	\$ 0.25	\$ 0.10	0.09
<b>2018</b>	426,650	283,125		709,775	\$ 0.24	\$ 0.10	0.08
<b>2019</b>	155,525	276,375		431,900	\$ 0.15	\$ 0.09	(0.01)
<b>2020</b>	154,150	269,625		423,775	\$ 0.14	\$ 0.09	(0.02)
<b>2021</b>	157,575	262,875		420,450	\$ 0.14	\$ 0.09	(0.02)
<b>2022</b>	155,806	256,125		411,931	\$ 0.14	\$ 0.09	(0.02)
<b>2023</b>	158,681	249,375		408,056	\$ 0.14	\$ 0.08	(0.02)
<b>2024</b>		242,625		242,625	\$ 0.08	\$ 0.08	(0.08)
<b>2025</b>		235,875		235,875	\$ 0.08	\$ 0.08	(0.08)
<b>2026</b>		224,250		224,250	\$ 0.08	\$ 0.08	(0.08)
<b>2027</b>		217,750		217,750	\$ 0.07	\$ 0.07	(0.09)
<b>2028</b>		211,250		211,250	\$ 0.07	\$ 0.07	(0.09)
<b>2029</b>		204,750		204,750	\$ 0.07	\$ 0.07	(0.09)
<b>2030</b>		198,250		198,250	\$ 0.07	\$ 0.07	(0.09)
<b>2031</b>		191,750		191,750	\$ 0.07	\$ 0.07	(0.10)
<b>2032</b>		185,250		185,250	\$ 0.06	\$ 0.06	(0.10)
<b>2033</b>		178,750		178,750	\$ 0.06	\$ 0.06	(0.10)
<b>2034</b>		172,250		172,250	\$ 0.06	\$ 0.06	(0.10)
<b>2035</b>		165,750		165,750	\$ 0.06	\$ 0.06	(0.10)
<b>2036</b>		159,250		159,250	\$ 0.05	\$ 0.05	(0.11)
<b>2037</b>		152,750		152,750	\$ 0.05	\$ 0.05	(0.11)
<b>2038</b>		146,250		146,250	\$ 0.05	\$ 0.05	(0.11)
<b>2039</b>		139,750		139,750	\$ 0.05	\$ 0.05	(0.11)
<b>2040</b>		133,250		133,250	\$ 0.05	\$ 0.05	(0.12)
		5,429,083		8,456,232	\$ 2.88	\$ 1.85	(1.47)

*Estimated 2014 Property Tax Bill Impact: Per \$1,000 of Assessed Valuation – \$0.03*

# 2014 Proposed Warrant Article

## **ARTICLE 3** **Municipal Operating Budget**

The Municipal Operating Budget, which is the subject of Article 3, funds the general costs of operating all Town departments. The Municipal Operating Budget is summarized on the following chart by department.

The recommended 2014-15 Municipal Operating Budget is \$31,979,257. Included in the Town Council's proposed budget are all of the capital items that have historically been approved by the Town Council throughout the year. This change was implemented in the 2009-10 budget year.

Although the appropriation amount requested for 2014-15 is more than what was approved in 2013-14, to compare the budget request one should reduce both budgets by the capital purchases. If these capital projects were not included in both budgets, the 2014-15 appropriation would be \$375,799 or 1.30% greater than in 2013-14.

Included in the 2014-15 budget are reductions in several estimated revenues. Those revenue reductions include:

- Interest Income \$49,500
- Admin fees to other funds \$40,000
- Solid Waste \$16,000
- Current Use Change Tax \$30,000

There were some revenues that increased to offset the aforementioned reductions. Those increases are:

- Rooms & Meals \$50,000
- Motor Vehicle Permits \$100,000

Included in the Council's 2014-15 budget is a commitment to increase capital funding. The Council has increased General Fund capital reserve funding from \$974,000 to \$1,067,000; an increase of \$93,000, or 9.55%.

### **Personal Services Costs**

Five of the Town's six union contracts are in place and do not expire until June 30, 2016. The only union that does not currently have a contract in place is AFSCME 93, Local 2986 (Public Works Employees). These employees will have no changes to wages or benefits until a new contract passes.

There are no raises except for those unions that have steps in their contract. There is also no raise for the Town's non-union employees in this budget. There is one additional part-time position included in the Town Council's budget for Information Technology, at an estimated annual cost of \$26,000.

In summary, the 2014-15 proposed budget contains a net increase for personnel costs and benefits of \$291,995, which includes the aforementioned staffing and wage changes of \$62,170. The majority of the remaining increase is from retirement costs increase of \$19,459, overtime increase of \$30,808 and health insurance premiums cost increase of \$170,256. There is, however, some decreased cost for compensated absence of \$29,611. The remaining balance consists of benefit adjustments and the costs associated with the wage adjustments.

# 2014 Proposed Warrant Article

Chart 1

	2013-2014	2014-15	Increase	
<u>General Fund</u>	<u>Operating</u>	<u>Operating</u>	<u>(Decrease)</u>	
General Government	\$1,546,200	\$1,589,487	\$43,287	2.80%
Assessing	\$296,882	\$300,379	\$3,497	1.18%
Fire	\$5,150,175	\$5,251,580	\$101,405	1.97%
Police	\$5,416,362	\$5,510,301	\$93,939	1.73%
Communications	\$688,617	\$693,824	\$5,207	0.76%
Code Enforcement	\$331,063	\$338,664	\$7,601	2.30%
DPW Admin.	\$366,373	\$371,191	\$4,818	1.32%
Highway	\$2,412,038	\$2,447,827	\$35,789	1.48%
Solid Waste Disposal	\$1,170,051	\$1,203,940	\$33,889	2.90%
Parks & Recreation	\$330,723	\$363,325	\$32,602	9.86%
Library	\$967,133	\$974,012	\$6,879	0.71%
Equipment Maint.	\$429,018	\$436,675	\$7,657	1.78%
Buildings & Grounds	\$189,903	\$200,137	\$10,234	5.39%
Community Development	\$465,572	\$468,251	\$2,679	0.58%
Town Clerk/ Tax Collector	\$452,671	\$463,769	\$11,098	2.45%
Welfare	\$165,079	\$154,940	(\$10,139)	-6.14%
Debt Service	\$472,027	\$461,398	(\$10,629)	-2.25%
<b>Subtotal G/F Operating</b>	<b>\$20,849,887</b>	<b>\$21,229,700</b>	<b>\$379,813</b>	<b>1.82%</b>
<u>CRF Deposits</u>	<u>2013-14</u>	<u>2014-15</u>		
Gen. Govt.-Computers	\$35,000	\$35,000	\$0	0.00%
Gen. Govt.- Milfoil	\$0	\$25,000	\$25,000	100.00%
Assessing - Reval.	\$15,000	\$15,000	\$0	0.00%
Fire- Ambulance	\$12,000	\$50,000	\$38,000	316.67%
Fire-Trucks	\$100,000	\$75,000	(\$25,000)	-25.00%
Communications-Equipt.	\$10,000	\$25,000	\$15,000	150.00%
DPW Equipt.	\$300,000	\$300,000	\$0	0.00%
DPW Roads & Bridges	\$400,000	\$400,000	\$0	0.00%
DPW- DW Highway	\$25,000	\$50,000	\$25,000	100.00%
Solid Waste- Equipt.	\$75,000	\$75,000	\$0	0.00%
Library	\$2,000	\$17,000	\$15,000	750.00%
<b>Subtotal CRF Deposits</b>	<b>\$974,000</b>	<b>\$1,067,000</b>	<b>\$93,000</b>	<b>9.55%</b>
<u>Other Capital</u>				
General Government	\$0	\$12,500	\$12,500	100.00%
Police	\$90,000	\$128,000	\$38,000	42.22%
Highway	\$0	\$75,000	\$75,000	100.00%
Buildings & Grounds	\$8,000	\$9,000	\$1,000	12.50%
<b>Subtotal Other Cap.</b>	<b>\$98,000</b>	<b>\$224,500</b>	<b>\$126,500</b>	<b>129.08%</b>
<b>Road Infrastrucure</b>	<b>\$700,000</b>	<b>\$800,000</b>	<b>\$100,000</b>	<b>14.29%</b>
<b>General Fund Totals</b>	<b>\$22,621,887</b>	<b>\$23,321,200</b>	<b>\$699,313</b>	<b>3.09%</b>
<b>CRF Expend.</b>	<b>\$1,201,000</b>	<b>\$3,636,000</b>	<b>\$2,435,000</b>	<b>202.75%</b>
<u>Self Supporting Funds</u>				
Fire Protection	\$88,490	\$87,563	(\$927)	-1.05%
Day camp	\$172,467	\$175,212	\$2,745	1.59%
Outside Details	\$513,373	\$380,912	(\$132,461)	-25.80%
Library	\$3,500	\$3,500	\$0	0.00%
Fire Outside Detail	\$9,000	\$4,500	(\$4,500)	-50.00%
Media	\$279,011	\$270,933	(\$8,078)	-2.90%
Wastewater	\$3,379,328	\$3,364,805	(\$14,523)	-0.43%
Wastewater Debt	\$739,070	\$734,632	(\$4,438)	-0.60%
<b>Subtotal Self Supporting</b>	<b>\$5,184,239</b>	<b>\$5,022,057</b>	<b>(\$162,182)</b>	<b>-3.13%</b>
<b>Grand Totals All Funds</b>	<b>\$29,007,126</b>	<b>\$31,979,257</b>	<b>\$2,972,131</b>	<b>10.25%</b>



## 2014 Proposed Warrant Article

### Capital Outlay

The Town of Merrimack uses capital reserve funds as a cost-effective method of financing the purchase or replacement of facilities, equipment and infrastructure. Consistent amounts have been included in annual budgets for transfer to these funds in past years and in the current budget submitted by the Town Council, so that sufficient monies are available when purchases or replacements are required. This spreads the related cost over the funding period, rather than requiring a large appropriation in the year of purchase or replacement, and thereby helps to stabilize property tax rates. Also, interest earned on monies held in capital reserve funds offsets a portion of the purchase or replacement cost and/or serves as a hedge against inflation. These capital reserve funds provide for the replacement of fire trucks, bridges, ambulances, police communication equipment, Highway Division trucks and heavy equipment, as well as for other major capital outlay needs.

The 2014-15 budget includes \$3,711,000 in Capital Reserve Fund (CRF) expenditures:

CRF	2014-15 Projects	\$	\$
Computer Equipment	Licenses / Computer-server upgrades		50,000
Fire	Cardiac Defibrillator/Monitor/Transmitter	35,000	
	Command Vehicle	35,000	70,000
Fire Station Improvements	Design For South Fire Station		60,000
Communication Equip	Communications Recorder		20,000
Road Infrastructure	Bridge replacement - Bedford Road (Design)	270,000	
	Bridge replacement - McGaw Bridge (Design & Construction)	1,405,000	
	Drainage Improvements	400,000	
	Wire Road @ DW Highway Intersections (Design)	50,000	2,125,000
Highway	6 Wheel dump truck, H-24	150,000	
	6 Wheel dump truck, H-25	150,000	
	Utility tractor / roadside mower	90,000	390,000
SLE	Sewer line extension		868,000
Library Building Maintenance			53,000
Total General Fund			3,636,000
Wastewater Fund			
Sewer Infrastructure	Replacement Grinder for Thorntons Ferry pump station	50,000	
	Manhole/Sewer Line Rehabilitation	25,000	75,000
Total Wastewater Fund			75,000
Grand Total CRF Purchases			3,711,000



## 2014 Proposed Warrant Article

In addition, other proposed capital outlays of \$1,148,008 consist of the following:

Media Equipment	\$ 40,000
Gas Pump Repairs	75,000
Copier	12,500
Mower	11,000
Electrical Service Watson Park	8,500
HVAC Fire Station 1	20,000
Minor Computer Purchases	20,480
Minor Equipment Purchases	18,528
Minor Building repairs	14,000
Patrol vehicles (3) Cars	93,000
Patrol SUV	35,000
Road paving and minor reconstruction	<u>800,000</u>
<b>Total</b>	<b>\$ 1,148,008</b>

### **Debt Service**

There are five outstanding bond issues: 1995 Organic Waste Compost Facility Bonds - \$351,182 principal balance; 2002 Greens Pond Land Acquisition Bonds - \$1,080,000 principal balance; 2007 Drainage Improvement Bond - \$1,145,000 principal balance; 2008 Interceptor Bond - \$390,758 principal balance; and 2009 Dewatering Upgrade Bond – \$2,107,747 principal balance. Debt service costs for 2014-15 represent a decrease of \$15,067 and consist of the following:

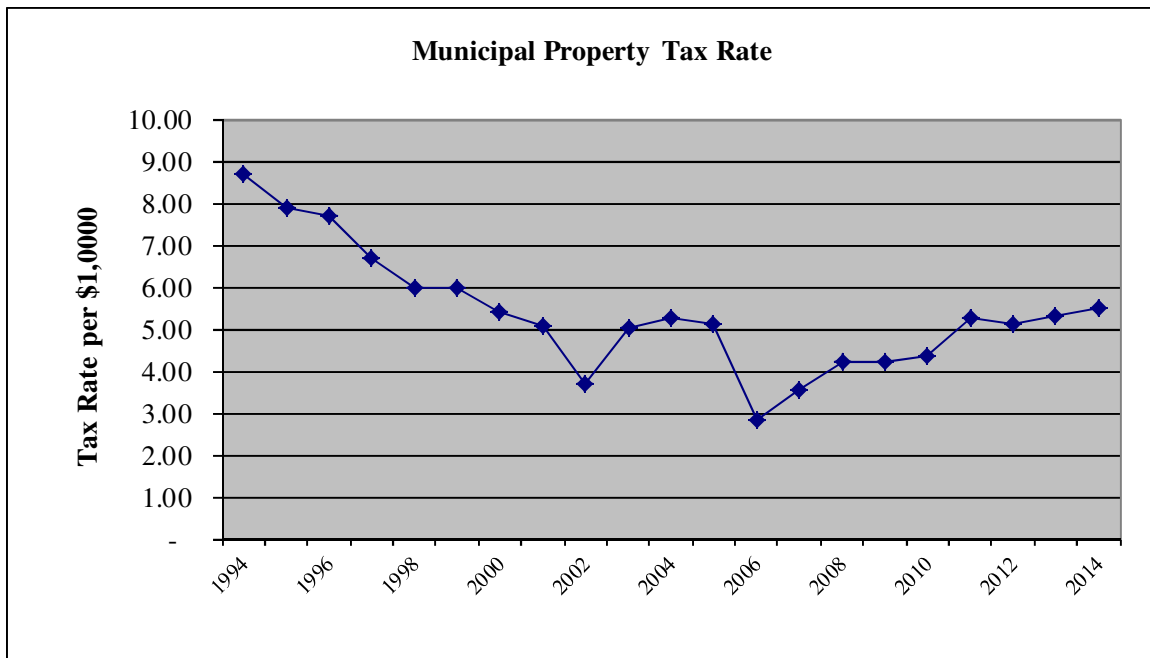
1995 Organic Waste Compost Facility Bonds	\$367,449
2002 Greens Pond Land Acquisition Bonds	303,266
2007 Drainage Bond	158,131
2008 Interceptor Bond	63,404
2009 Dewatering Upgrade	303,779
Contingency for tax anticipation notes	<u>1</u>
Total	\$1,196,030

### **Projected Tax Rate**

Based on the recommended budget (Article 3) and current estimates of 2014 net assessed valuations and 2014-15 non-tax revenues, the municipal portion of the 2014 property tax rate is expected to be \$5.49, which correlates to a tax bill of \$549 per \$100,000 of assessed valuation.

This budget represents a twenty cent increase compared to the 2013 rate. However, this projection includes only the impact of Article 3 and not any of the other Articles.

## 2014 Proposed Warrant Article



***Estimated 2014 Property Tax Bill Impact: Per \$1,000 of Assessed Valuation – \$0.20***

### **Default Budget**

If the proposed budget of \$31,979,257 in Article 3 should fail, an appropriation of \$27,892,458 (Chart 3) would automatically become effective in accordance with New Hampshire Statutes. The Town Council would then be responsible for either holding a special meeting at which a revised Municipal Operating Budget appropriation would be considered, or developing a revised Municipal Operating Budget within this amount.

In 2009-10, the Town made a change to the way it presents the Appropriation Article to the taxpayers. A decision was made to include all the Capital Reserve Fund purchases in the budget so the voter had a chance to vote on the complete appropriations for the Town. When calculating the default budget, these items have to be backed out of the appropriations for prior years. To compute the default budget, the Department of Revenue Administration has given specific guidelines for Towns and Schools to use: begin with the prior year operating warrant article, add in any previously approved warrant articles that may affect the current year budget (such as collective bargaining agreements), subtract any one time purchases (such as capital expenditures), then net the difference in debt payments to come up with the default budget.

In calculating the 2014-15 default budget, the difference between the default budget and the current operating budget (\$31,979,257) is \$4,086,799. However, in making an apples to apples comparison as shown on Chart 3, one time capital expenditures are backed out, thus making the default budget \$375,799 less than the 2013-14 operating budget. ***One important point to remember is that the \$3,711,000 in capital purchases for 2014-15 is fully offset by revenues.*** Chart 4 is a comparison of tax rates.

***Estimated 2014 Property Tax Bill Impact for Default Budget: Per \$1,000 of Assessed Valuation – \$0.07***

## 2014 Proposed Warrant Article

<b>Chart 3 – Default Calculations</b>		
	2013-14	2014-15
	Voted	Default
	<u>Budget</u>	<u>Budget</u>
General Town operations and charges - Article 2	28,725,477	29,007,126
NEPBA 112 collective bargaining agreement - Article 3 (2013-14)	27,661	9,829
Teamsters collective bargaining agreement - Article 4 (2013-14)	19,860	-
NEPBA 12 collective bargaining agreement - Article 5 (2013-14)	73,394	29,811
AFSCME 3657 collective bargaining agreement - Article 6 (2013-14)	33,665	-
IAFF 2904 collective bargaining agreement - Article 7 (2013-14)	127,069	22,058
Union Contract Benefit Increases		
Health		150,848
Other Insurance Benefits (Dental, Life, STD, WC and unemployment)		(7,147)
One Time Purchases		
One time CRF purchases		(1,305,000)
Debt service:		
2013-14		(1,211,097)
2014-15	-	1,196,030
<b>Total</b>	<b>29,007,126</b>	<b>27,892,458</b>

<b>Chart 4 2014-15 Default Tax Rate Comparison</b>			
		Est. Default <u>2014 Tax Rate</u>	
Default Appropriations		27,892,458	
Estimated Default Revenues (see below)		(13,170,131)	
Tax overlay		325,000	
Veterans exemptions		708,750	
Property tax levy		15,756,077	
Valuation for state property tax rate		2,937,337.310	
Default property tax rate		5.36	
Proposed Budget tax rate		5.49	
Variance			<b>(0.13)</b>
<b>Revenue comparison:</b>			
2014-15 revenue Proposed Budget	(16,881,131)		
Less: Capital revenue			
General Fund	3,636,000		
WWTF	75,000		
		(13,170,131)	
<b>Appropriation Comparison</b>			
2013-14 Proposed Budget Comparison	31,979,257		
Less: Capital revenue			
General Fund	(3,636,000)		
WWTF	(75,000)	28,268,257	
Default Budget (from above)		27,892,458	
Increase in appropriations (default verse proposed budget)		(375,799)	
Tax Rate variance Appropriations (375,399 dividied by 2,937,337.310)		<b>(0.13)</b>	
Tax Rate variance Revenue		-	
Overall tax rate variance		<b>(0.13)</b>	

## 2014 Proposed Warrant Article

### **ARTICLE 4**

#### **Geographic Information System (GIS) Capital Reserve Fund**

By approving Article 4, the Town would establish a new Capital Reserve Fund for Geographic Information System (GIS). The Capital Improvements Plan includes a proposed Capital Reserve Fund for GIS Update & Maintenance Program. The total amount of funds expected to be required as part of the program is proposed to be funded through Capital Reserve deposits over the course of next few years. The implementation of this program will allow for data to be updated, enhancing our GIS system, which is a top-notch system, however, the current base data is reaching end of useful life.

The GIS program has been extensively used and applied to many departments in town and most boards and committees. The success of the GIS is dependent upon the Town's investment in high quality imagery and photogrammetric and planimetric mapping, which serve as the foundation for all additional datasets and activities. Planimetric mapping is derived from an orthophoto project (flyover of the Town taking high-resolution digital orthophotos). This describes data that is visible from the air including such features as edge-of-roads, buildings, topography, hydrography, etc. Given the growth in Town since 2005 (when orthophotos were last taken) and future development plans in Merrimack, the staff believes it is appropriate to conduct comprehensive updates at 5-year intervals. The future funds to be expended from this Capital Reserve Fund will provide high quality aerial imagery and mapping to ensure that GIS data remains current and reliable into the future.

***Estimated 2014 Property Tax Bill Impact: Per \$1,000 of Assessed Valuation – \$0.01***

## 2014 Proposed Warrant Article

### **ARTICLE 5**

#### **NEPBA Local 112, Education Reimbursement Funding**

Article 5 is a Petition Warrant Article which calls for the Town to raise and appropriate the sum of \$5,000 for the reimbursement of education or training expenses for NEPBA Local 112, Dispatchers and Support Staff. Article XIII of the NEPBA Local 112 contract, which was negotiated and agreed to in 2013, reads as follows:

“The Town shall pay 100 % of the cost of any employee education or training that is required by the Town to assist him/her in maintaining his/her minimum job, or in adequately performing the tasks to which he/she is regularly assigned.

The Town shall reimburse full-time employees for 100% of the tuition relating to college courses so long as: a certificate of completion, with a grade of C, or better, is presented to the Human Resources Coordinator, and is related to the employee’s job. “

As part of those 2013 contract negotiations, it was agreed that this language would be included in the contract but that the amount to be appropriated for these education and training expenses would be zero over the 3-year period covered by the Agreement. Because the subject of this Petition Warrant Article is part of a collective bargaining agreement, the Town Council has been advised by the Town’s legal counsel that, even if this Article were approved by the voters, it is not enforceable. For that reason, the Town Council has voted unanimously to not recommend approval of Article 5.

***Estimated 2014 Property Tax Bill Impact: Per \$1,000 of Assessed Valuation***  
***- LESS THAN \$0.01***

# VOTE